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REAGAN REPORTED TO HAVE APPROVED CONTACTS ON IRAN

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WASHINGTON, Nov. 7 — President Reagan approved a broad plan 18 months ago for secret contacts with Iran, Administration officials said today.

They said the contacts were intended to improve relations with Iran, end Teheran's support for terrorism and revolution and help gain the release of the American hostages held in Lebanon.

The plan did not mention supplying arms and spare parts to Iran, Administration officials said. But shortly afterward, the White House accepted an Israeli offer to use its contacts in Iran to deliver American-made arms, the officials said.

Detailed Explanation

Providing the most detailed explanation to date of the Reagan Administration's secret diplomacy with Iran, the officials said the United States undertook what one official called a "two track" policy in the region.

On one hand, the Administration worked through a number of intermediaries, including Robert C. McFarlane, the former national security adviser, to explore whether Teheran was ready for better relations with Washington.

At about the same time, working through the Israelis as intermediaries, the Administration set up an arrangement that combined arms shipments with intensified efforts to gain the release of the hostages.

Hostages Take Precedence

Several sources here and in Israel who are familiar with the contacts with Iran said the efforts to gain the release of the hostages quickly eclipsed the broader diplomatic aspects of the policy.

In fact, one critic of the Administration's policy, who was familiar with the operations, asserted that the release of the hostages had been the primary goal from the beginning and the diplomatic aspects, formulated without consulting the State Department, were drawn up as a cover story.

Legal experts said that without knowing the facts in detail, it would be impossible to determine whether the Administration's reported action to

provide spare parts to Iran might have violated any of the complex web of laws and regulations bearing on arms exports.

In addition, it was not clear whether Israel had formal permission to ship American weapons to a third country. American-made weapons and parts cannot be re-exported to other countries without United States permission.

The plan for diplomatic contacts with Iran was drawn up by Mr. McFarlane during his tenure as the national security adviser, Administration officials said.

The plan is set out in a memorandum by Mr. McFarlane that was approved by the President. The memorandum describes issues that should be explored with Iran and says the Iranians should be told that better relations depend on several conditions. These were: an agreement to stop exporting terrorism and revolution in the Persian Gulf, negotiations on an end to the Iran-Iraq war and help to the United States in gaining the release of American hostages held by pro-Iranian groups in Lebanon.

Shortly after the President approved these recommendations, officials said, the Administration approved several shipments by Israel of older spare parts and weapons to Iran. In exchange, the Israelis received newer American-made weapons of roughly equal value.

Both the diplomacy and the arms shipments were pursued simultaneously by a small cadre of officials at the National Security Council and the objectives became intermingled, according to one intelligence source. Mr. McFarlane, who left the Government last year, continued working on the diplomatic mission.

It was for that reason that Mr. McFarlane traveled to Iran recently, according to a close associate of the former national security adviser. On the same trip, however, other representatives of the Administration were working primarily to gain the freedom for the remaining hostages.

It was unclear whether the President specifically approved the arms ship-

ments or whether there was any discussion of the legality of these shipments.

The legal experts who said it was difficult to comment on the plan's legality agreed that President Carter's 1979 executive order effectively freezing all arms sales to Iran would be no obstacle to providing spare parts for Iran if President Reagan had secretly approved such sales. Any President is free to cancel or modify an executive order, and to do so secretly if national security requires, the experts said.

There are also, however, several laws limiting arms exports, in particular arms exports to foreign nations that are deemed hostile, and requiring the executive branch to notify Congress in some circumstances. Such acts of Congress are binding on the President. But they frequently give him broad discretion to take actions he considers necessary for foreign policy reasons, and their effect on the Iran situation is unclear.

Arms export law requires licenses for the export of munitions to foreign countries. But this does not apply to Government actions.

Tonight, Donald T. Regan, the White House chief of staff, addressed the legal issue. In a taped interview to be broadcast this weekend on the local Washington television program, John McLaughlin's "One on One", Mr. Regan said: "We're not breaking any laws. We're not doing anything illegal or immoral." He said Congress would be informed of the Administration's activities after all the hostages are released.

The Administration has repeatedly said it opposes negotiations with terrorists and several times it has reaffirmed its public opposition to arms sales to Iran.

No Direct Sales by U.S.

Several officials noted that under the arrangement between the United States and Israel, no arms were actually sold by the United States to Iran.

One knowledgeable Israeli source said the idea for the parts shipments to Iran was initially broached with the United States by Israel, which had been covertly supplying Iran since the fall of Shah Mohammed Riza Pahlavi in 1979.

"The deal was done at our initiative," the Israeli source said. "We had the contacts and we approached the Americans. We said, 'Look, we have these contacts; why don't you take advantage of them?'"

The sources in the United States and Israel said that under the arrangement, aging American-made weapons and parts were delivered to Iran by Israel, which received in return shipments of roughly equal value of newer American-made weapons.

The American source said the Israelis saw the arrangement as: "You sell us new stuff, we'll send them old stuff, that way, you're not violating the embargo."